

---

With the dollar index strengthening, gold is likely to trade lower.

---

---

## WITH THE DOLLAR INDEX STRENGTHENING, GOLD IS LIKELY TO TRADE LOWER

---

- ▲ Spot gold is now trading near \$1835 which is sharply lower from this month's high of 1882.5 registered last week. Strength in dollar index and bond yields is keeping gold prices under pressure. US Dollar index future is now trading near 103.912; US bond yield is now trading near 3.231 both are significantly up from last month's low level.
- ▲ Gold prices are likely to trade in a narrow range after some volatility last week as a result of shocking US consumer price index data and the subsequent 75-basis-point interest rate hike by the Federal Reserve, as well as hikes by other European central banks.
- ▲ On Monday, European Central Bank President Christine Lagarde reiterated her intention to raise interest rates in July and September, indicating that financial market concerns will not derail the fight against inflation. The ECB's action is likely to keep bullion prices under pressure in the short term.
- ▲ Fed Chair Jerome Powell is set to deliver his semi-annual monetary policy testimony before the Senate Banking Committee tomorrow which is likely to give fresh direction to gold prices. Meanwhile, Treasury Secretary Janet Yellen said that "unacceptably high" prices are likely to stick with consumers through 2022 and that she expects the US economy to slow down. Fed Governor Christopher Waller said on Saturday he would support another 75-basis-point rate increase at the central bank's July meeting should economic data come in as he expects.
- ▲ The rise in US consumer prices in May fueled fears of the Federal Reserve raising interest rates more aggressively. According to Labor Department data released on Friday, the US consumer price index (CPI) rose 8.6 percent last month, the largest year-on-year increase since December 1981 and a 40-year high.
- ▲ Meanwhile, SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, increased its holdings to 1,075.54 mt from nearly 1049.22 mt (on May 16, 2022), a 26.32 mt, or 2.5 percent, increase in a month.
- ▲ According to the CFTC Commitments of Traders report for the week ended June 14, net long of gold futures dropped by 20670 contracts to 154598. Speculative longs dropped by 3760 contracts while shorts increased by 16910 contracts.

### Outlook

- ▲ Gold prices are expected to trade with a negative bias, with critical resistance levels around \$1858-\$1880 and immediate support levels around \$1803-\$1766.

---

## DISCLOSURE & DISCLAIMER: ABANS BROKING SERVICES PVT. LTD. (ABSPL)

---

Prepared by:

Mr. Kamlesh Jogi | Market Research Analyst

email: [kamlesh.jogi@abans.co.in](mailto:kamlesh.jogi@abans.co.in)

Phone: +91 22 68354176 (Direct)

Abans Broking Services (P) Limited

36, 37, 38A, 3rd Floor, 227 Nariman Bhavan, Backbay Reclamation, Nariman Point, Mumbai-400 021

Phone +91 22 61790000 | Fax +91 22 61790000

Email: [info@abans.co.in](mailto:info@abans.co.in) | Website: [www.abans.co.in](http://www.abans.co.in)

---

### Membership Details:

MCX Member ID: 40385 / SEBI Reg. No. INZ000032733;

NCDEX: Member ID F00681 / SEBI Reg. No. INZ000032733

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations). ABans Broking Services Pvt. Ltd. (ABSPL) is a SEBI Registered Research Analyst having registration no. INH000006369. ABSPL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock Broking services. ABSPL is a subsidiary company of ABans Finance Pvt. Ltd. (AFPL). AFPL is an NBFC, registered with the RBI, in the category of non-acceptance of public deposits.

One of the group companies of ABSPL is ABans Securities Pvt. Ltd. (ASPL) which is a SEBI registered member with NSE, BSE and MSE stock exchanges. ASPL is also a Depository Participant of CDSL. ABans Commodities Pvt. Ltd. (ACIPL) is another group entity which is also a registered member with MCX in the Commodity segment. Further details are available on the group website [www.abans.co.in](http://www.abans.co.in) Mandatory Disclosures as per the Regulations:

- Ownership & Material conflicts of interest –
  - Whether the Research Analyst or ABSPL, or his associate or his relative has any financial interest in the subject company and the nature of such financial interest – No
  - Whether the Research Analyst or ABSPL, or its associates or relatives, have actual/beneficial ownership of 1% or more securities of the subject company, at the end of the month immediately preceding the date of publication of this research report or date of the public appearance – No
  - Whether the Research Analyst or ABSPL, or his associate or his relative, has any other material conflict of interest at the time of publication of this research report or at the time of public appearance – No
- Receipt of Compensation –
  - Whether ABSPL, or its associates have received any compensation from the subject company in the past twelve months – No
  - Whether ABSPL, or its associates have managed or co-managed public offering of securities for the subject company in the past twelve months – No
  - Whether ABSPL, or its associates have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months – No
  - Whether ABSPL, or its associates have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months – No
  - Whether ABSPL, or its associates have received any compensation or other benefits from the subject company or third party in connection with the research report – No
- Whether the Research Analyst has served as an officer, director or employee of the subject company – No
- Whether the Research Analyst or ABSPL has been engaged in market making activity for the subject company – No
- Other material disclosures, if any

### Disclaimer:

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Neither ABans Broking Pvt. Ltd. (ABSPL), nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information. The document is not, and should not be construed as an offer to sell or solicitation to buy any securities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from "ABans Broking Services Private Limited". Your feedback is appreciated on [compliance@abans.co.in](mailto:compliance@abans.co.in)